

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF PENNSYLVANIA

MEMBERS 1ST FEDERAL
CREDIT UNION,

Plaintiff,

v.

MERRICK BANK CORPORATION,

Defendant.

Civil Action No. 11-630



**FILED
SCRANTON**

APR 06 2011

Per K
DEPUTY CLERK

COMPLAINT

1. Plaintiff Members 1st Federal Credit Union ("Members 1st") seeks to stop defendant Merrick Bank ("Merrick") from using an "M" trademark incorporating the numeral ("1") in connection with financial services in Members 1st's prime geographic territory.

2. Defendant Merrick has recently begun to offer, in the prime geographic market of plaintiff Members 1st, credit cards using an "M" trademark  substantially identical to the registered trademark of plaintiff Members 1st. See Merrick Credit Card Image, attached as Exhibit A. Members 1st has used its  trademark for many years and it is the subject of a federal trademark registration. See Members 1st Debit Card Images, attached as Exhibit B. As a result of Merrick's actions, consumers are likely to confuse the products of Members 1st and Merrick.

3. On March 9, 2001, Members 1st sent a cease and desist letter to Merrick, demanding that it stop using its infringing mark in Members 1st's territory. Merrick failed to respond to Members 1st's letter.


4. Merrick has violated Members 1st's rights under the Lanham Act, 15 U.S.C. §§ 1114 and 1125, and Members 1st seeks preliminary and permanent injunctive relief, damages, and attorneys' fees for defendant's trademark infringement, unfair competition, and false designation of origin of goods.

JURISDICTION AND VENUE

5. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331, 1332, 1338(a) and (b) and §1367.

6. Venue in this district is proper pursuant to 28 U.S.C. §§1391(b) and (c).

THE PARTIES

7. Plaintiff Members 1st is a Pennsylvania-based, member-owned, full-service financial institution offering banking services to both individuals and businesses, including the issuance of debit and credit cards bearing its  trademark. Ex. B.


8. Upon information and belief, defendant Merrick is a financial institution chartered in the State of Utah with a principal place of business at 10705 S. Jordan Gateway, Suite 200, South Jordan, Utah 84095. Like Members 1st, Merrick issues credit cards to its customers. Ex. A.


MEMBERS 1ST AND ITS TRADEMARK



9. Founded in 1950 as the NSD Mechanicsburg General Credit Union to serve employees of the Mechanicsburg Naval Supply Depot and their families, Members 1st is a Pennsylvania-based, member-owned, full-service financial institution offering banking services to both individuals and businesses. Originally, Members 1st was a single employer group credit union, but Members 1st expanded its membership to multiple employers and organizations in the early 1980s. Today, as a practical matter, anyone can join Members 1st because it is affiliated


with more than 2,000 employers and organizations, such that employees and/or members of those organizations and/or their family members can become customers of Members 1st.

10. In or about 1994, Members 1st, known at the time as the Defense Activities Federal Credit Union, adopted the name Members 1st Federal Credit Union. In the early 2000s, Members 1st began developing a new logo. Members 1st wanted a new logo that would be readily identified.


11. In or about March 2003, Members 1st adopted its new  Members 1st mark.

12. On February 18, 2005, Members 1st filed an application to register its  mark as a service mark. There was no opposition to its mark. On January 31, 2006, the U.S. Patent and Trademark Office issued Registration No. 3,055,347 to Members 1st. Such registration is valid and subsisting.

13. Beginning in March 2003, Members 1st aggressively marketed itself using its  mark. Since 2003, Members 1st has consistently promoted its brand and services using the  mark on television, radio, billboards, email, print advertising, public relations, community sponsorships, giveaways, and the internet. The mark also is prominently featured on debit and credit cards issued by Members 1st.

14. Members 1st's prime geographic territory includes Adams, Berks, Chester, Cumberland, Dauphin, Franklin, Juniata, Lancaster, Lebanon, Northumberland, Perry, Schuylkill and York Counties, Pennsylvania, and Frederick, Carroll, Baltimore and Harford Counties, Maryland ("Members 1st Territory"). Market research conducted for Members 1st shows its brand is well known across its target audience, with 94 percent of survey respondents associating the  mark with Members 1st.

THE INFRINGING ACTIONS OF MERRICK

15. On information and belief, Merrick recently began soliciting credit card customers using its  logo in Members 1st's Territory. A copy of a recent solicitation is attached as Exhibit C.

16. Merrick's use of a virtually identical logo to sell competing products in the same geographic area is likely to cause consumer confusion and is exacerbated by the fact that Merrick's credit card products are identical and are likely to be sold in the same markets, through the same trade channels, and to similar and overlapping customers. Given the remarkable similarity in the appearances of the logos, particularly as they appear on credit and debit cards, and materials promoting credit cards, it is inevitable that consumers will confuse Merrick's products with Members 1st's products.

INJURY TO PLAINTIFF AND THE PUBLIC


17. Merrick's trademark infringement is causing several distinct forms of injury to Members 1st.

18. First, Members 1st will lose sales to the extent that Merrick has caused or will cause consumers to obtain credit cards issued by Merrick under the mistaken belief that they are obtaining cards issued by Members 1st or that there is a relationship between the parties when there is not. In addition, because it is currently unknown how extensively Merrick advertises and promotes its products, Merrick is likely to unfairly gain recognition and sales at Members 1st's expense by benefiting from the reputation, goodwill and recognition already established and embodied in Members 1st's distinct trademark.

19. A further form of injury to Members 1st is the loss of control over its brand's reputation. Merrick's unauthorized use of Members 1st's trademark causes Members 1st to be

associated with products over which it has no control. This involuntary association could injure Members 1st if consumers are dissatisfied with Merrick's products for any reason and consequently have a less favorable opinion of Members 1st and its products.

MERRICK'S WILLFULNESS

20. Shortly after becoming aware of Merrick's solicitation of credit card customers in its prime geographic area using an almost identical logo, Members 1st sent to Merrick's registered agent a letter dated March 9, 2011, advising Merrick of its trademark infringement and demanding that Merrick immediately cease using the  mark in Members 1st's territory. A copy of the March 9 letter is attached as Exhibit D.

21. Although the letter was sent by overnight mail and signed for at Merrick's front desk, Members 1st has to date received no response from Merrick.

Count I **Trademark Infringement Under 15 U.S.C. § 1114**

22. Members 1st repeats and re-alleges the allegations contained in the preceding paragraphs in this complaint as though the same were fully rewritten herein.

23. Section 1114(1)(a) of Title 15 of the United States Code states, in pertinent part:

Any person who shall, without the consent of the registrant -- (a) use in commerce any reproduction, counterfeit, copy or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive...shall be liable in a civil action...

24. Members 1st has not consented directly or indirectly to Merrick use of Members 1st's registered trademark in any manner. Members 1st does not currently have the ability to control the nature and/or quality of the products sold by Merrick.

25. As stated above, Members 1st has used its trademark for many years and has

secured a registration for its trademark in the U.S. Patent and Trademark Office, namely U.S. Registration No. 3,055,347, issued January 31, 2006.

26. Merrick's conduct constitutes trademark infringement in violation of 15 U.S.C. § 1114.

27. Merrick's actions are being conducted with willful disregard of Member 1st's valuable rights in its registered trademark. Merrick's use of a confusingly similar trademark in connection with its products is a willful attempt to trade upon the goodwill that Members 1st has developed in its trademark through its many years of use.

28. Members 1st lacks an adequate remedy at law. The conduct of Merrick, if not enjoined, is causing and will continue to cause irreparable damage to the rights of Members 1st in its trademark and its business, reputation and goodwill. Members 1st's damages from the past unlawful actions of Merrick are not yet determined.

Count II
Unfair Competition Under 15 U.S.C. §1125(a)

29. Members 1st repeats and re-alleges the allegations contained in the preceding paragraphs of this complaint as though the same were fully rewritten herein.

30. Section 1125(a) of Title 15 of the United States Code states, in pertinent part:

Any person who, on or in connection with any good or services, ... uses in commerce any word, term, name, symbol, ... or any false designation of origin, ... which -- is likely to cause confusion, or to cause mistake, or to deceive...as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person...shall be liable in a civil action.

31. Merrick's use of Members 1st's trademark falsely suggests and/or will falsely suggest that Merrick is the source of, or has authorized, Merrick's use of Members 1st's trademark and is likely to deceive purchasers, prospective purchasers, and members of the

relevant trade and public into believing that Merrick's products and/or business are affiliated with Members 1st's products, or that such products are authorized or approved by Members 1st, or are provided in affiliation with Members 1st, in violation of 15 U.S.C. § 1125(a).


32. Merrick's conduct constitutes trademark infringement, unfair competition and false designation of origin in violation of 15 U.S.C. §1125(a).

33. Merrick's actions are being conducted with willful disregard of Members 1st's valuable trademark rights. Merrick's use of Members 1st's trademark in connection with its products is a willful attempt to trade upon the goodwill that Members 1st has developed in its trademark.


34. Members 1st lacks an adequate remedy at law. The conduct of Merrick is causing and, if not enjoined, will continue to cause irreparable damage to the rights of Members 1st in its trademark and its business, reputation and goodwill. Members 1st's damages from the past unlawful actions of Merrick are not yet determined.

PRAYER FOR RELIEF

Wherefore, plaintiff, Members 1st Federal Credit Union, demands judgment against defendant Merrick Bank Coporation, as follows:

(1) For preliminary and permanent injunctive relief enjoining Merrick, its employees, officers or agents, parents, subsidiaries or affiliates, and all others acting in concert with or for them from continued promotion, sale or distribution of products or materials using Merrick's "M" logo, or any other logo that is confusingly similar to Members 1st's  trademark in Members 1st's Territory;

(2) For preliminary and permanent injunctive relief directing Merrick to recall from distribution and destroy all credit cards and all promotional or sales materials using

Merrick's "M" logo, or any other logo that is confusingly similar to Members 1st's  trademark in Members 1st's Territory;

(4) For a declaration pursuant to 15 U.S.C. §1117 that Merrick's misconduct is deliberate and willful, making this an "exceptional case" under the Lanham Act;

(5) For compensatory and treble damages;

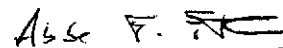
(6) For an accounting of all of Merrick's profits from the sale of the infringing products;

(7) For Member 1st's costs and disbursements in this action, including its reasonable attorneys' fees; and

(8) For such other, further, and different relief as the Court deems just and proper.

Dated: April 4, 2011

FLASTER/GREENBERG P.C.



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